

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

AUGUST 27, 2013

Mayor Ann Campbell called the Regular Meeting of the Ames City Council to order at 7:00 p.m. with Council Members Jeremy Davis, Matthew Goodman, Jami Larson, Peter Orazem, and Victoria Szopinski present. Council Member Tom Wacha was absent. *Ex officio* Council Member Alexandria Harvey was also present.

Mayor Campbell announced that the Council would be working from an Amended Agenda. Item No. 23, approval of a new liquor license for Blue Owl Bar, would be pending receipt of a Certificate of Occupancy; and Item 26b, a 5-day liquor license for Olde Main Brewing Company at 228 Gray Avenue, had been pulled by the applicant. The Mayor also advised that late this afternoon, staff had been advised to pull Item No. 29, the requests from KHOI Radio for Chili Rock-a-Billy; the event will not occur.

At the request of Mayor Campbell, Electric Services Director Donald Kom gave an update on the City's peak electric load demands during the recent periods of extreme heat. He thanked Ames residents for their cooperation in trying to conserve electricity as much as possible during those times. Mr. Kom emphasized that the City's system is equipped to handle its immediate needs; however, it is crucial that all residents do what they can to help control the peak demand. He requested that residents put off all non-essential uses of electricity between the hours of 2:00 to 6:00 PM while there are periods of extremely hot temperatures. Director Kom explained that every time a new peak is reached, it increases the City's requirement to provide a higher load.

PROCLAMATION FOR NATIONAL RECOVERY MONTH: Mayor Campbell proclaimed the month of September, 2013, as National Recovery Month. Accepting the Proclamation were Jason Haglund, Director of Treatment at Youth and Shelter Services, and Craig Soesby, representing Community and Family Resources.

PROCLAMATION FOR SCHOOL ATTENDANCE AWARENESS MONTH: September 2013 was proclaimed by Mayor Campbell as School Attendance Awareness Month. Accepting the Proclamation were Mandy Ross, Curriculum Director and Associate Superintendent of Schools; Jean Kresse, United Way of Story County President and CEO; Carol Page, Principal at Fellows Elementary School; Troy Winchester, sixth-grader at Ames Middle School; Kathy Hanson, Ames Community School District Community Relations Director; Carolyn Jons, Raising Readers of Story County; and Geri Hyde, Ames Public Library.

CONSENT AGENDA: Moved by Davis, seconded by Goodman, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of August 13, 2013, and Special Meeting of August 21, 2013
3. Motion approving certification of civil service applicants
4. Motion approving renewal of the following beer permits, wine permits, and liquor licenses:
 - a. Class E Liquor, C Beer, & B Wine - HyVee Drugstore, 500 Main Street
 - b. Class C Liquor & Outdoor Service - Indian Delights, 127 Dotson Drive
 - c. Class C Liquor - Mandarin Restaurant of Ames, 415 Lincoln Way
 - d. Special Class C Liquor & Outdoor Service - Noodles & Company, 414 South Duff Avenue
 - e. Class E Liquor, C Beer, & B Wine - Cyclone Liquors, 626 Lincoln Way

5. RESOLUTION NO. 13-391 approving appointment of Kerry Dixon-Fox and Curtis Engelhardt to fill vacancies on Public Art Commission
6. RESOLUTION NO. 13-392 approving Public Art Commission's request to carry over funding to FY 2013/14
7. RESOLUTION NO. 13-393 approving Memorandum of Understanding (MOU) authorizing Ames Police Department's participation in Story County Safe Seat Program
8. RESOLUTION NO. 13-387 proposing vacation of public utility easement at 1606, 1610, and 1614 South Kellogg Avenue and setting date of public hearing for September 10, 2013
9. RESOLUTION NO. 13-394 approving preliminary plans and specifications for Replacement Superheater Attenuator; setting September 11, 2013, as bid due date and September 24, 2013, as date of public hearing
10. RESOLUTION NO. 13-395 awarding contracts to Baldwin Pole & Piling, Inc., of Des Moines, Iowa, for purchase of Electric Distribution Utility Poles in accordance with unit prices bid, and to McFarland Cascade of Tacoma, Washington, for purchase of Electric Transmission Utility Poles in accordance with unit prices bid
11. RESOLUTION NO. 13-396 awarding single-source contract for Radar Detection Equipment for 2013/14 Traffic Signal Program to Brown Traffic Products, Inc., of Davenport, Iowa, in the amount of \$58,856
12. RESOLUTION NO. 13-397 revising payment authorization to Veenstra & Kimm, Inc., pertaining to Engineering Services for 2013/14 Concrete Street Pavement Improvements (Lynn Avenue and Knapp Street)
13. RESOLUTION NO. 13-398 approving contract and bond for Substation Electrical Materials – Bid No. 1 (69 kV Switches)
14. RESOLUTION NO. 13-400 approving contract and bond for Substation Electrical Materials – Bid No. 4 (Steel Structures)
15. RESOLUTION NO. 13-401 approving contract and bond for 2013 Softball Field Fencing & Lighting - South River Valley Park (Fencing Project)
16. RESOLUTION NO. 13-402 approving Change Order No. 8 in the amount of \$9,979.87 with Henkel Construction Company of Mason City, Iowa, for CyRide Bus Facility Expansion
17. RESOLUTION NO. 13-403 approving Change Order No. 7 in the amount of \$78,121.00 with NAES Corporation of Houston, Texas, for Steam Turbine No. 8 Overhaul
18. RESOLUTION NO. 13-404 approving Change Order No. 4 in the amount of \$15,029 with Abatement Specialties, LLC, of Cedar Rapids, Iowa, for Library Renovation and Expansion Abatement Work
19. RESOLUTION NO. 13-405 approving Change Order No. 1 for Emergency Communications Center project
20. RESOLUTION NO. 13-399 approving Plat of Survey for 227, 231, and 233 South Kellogg Avenue

Roll Call Vote: 5-0. Resolutions/Motions declared adopted/carried unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PUBLIC FORUM: No one spoke during this time.

NEW CLASS C LIQUOR LICENSE (LC) & OUTDOOR SERVICE FOR BLUE OWL BAR:

Moved by Goodman, seconded by Davis, to approve a new Class C Liquor License (LC) & Outdoor Service for Blue Owl Bar, 223 Welch Avenue, pending receipt of Certificate of Occupancy.

Vote on Motion: 5-0. Motion declared carried unanimously.

NEW 5-DAY LIQUOR LICENSE & OUTDOOR SERVICE FOR GATEWAY HOTEL & CONFERENCE CENTER: Moved by Davis, seconded by Szopinski, to approve a new 5-Day (September 14 - 18) Special Class C Liquor License (BW) & Outdoor Service for Gateway Hotel & Conference Center for Jack Trice Stadium, Tent 27.

Vote on Motion: 5-0. Motion declared carried unanimously.

TEMPORARY LIQUOR LICENSES/BEER & WINE PERMITS FROM CHRISTIANI'S EVENTS: Moved by Goodman, seconded by Davis, to approve the:

1. New 5-Day (August 26 - 30) Class C Liquor License (LC) at 420 Beach Avenue
2. New 5-Day (September 21 - 25) Class C Liquor License (LC) at 420 Beach Avenue

Vote on Motion: 5-0. Motion declared carried unanimously.

REQUESTS FOR TEMPORARY LIQUOR LICENSES/BEER & WINE PERMITS FROM OLDE MAIN BREWING COMPANY: Moved by Davis, seconded by Goodman, to approve the:

1. New 5-Day (September 5 - 9) Special Class C Liquor License (BW) at 420 Beach Avenue
2. New 5-Day (September 10-14) Special Class C Liquor License (BW) at 420 Beach Avenue
3. New 5-Day (September 16 - 20) Class C Liquor License (LC) at 420 Beach Avenue
4. New 5-Day (September 21 - 25) Special Class C Liquor License (BW) at 1407 University Boulevard

Vote on Motion: 5-0. Motion declared carried unanimously.

ART FESTIVAL ON SEPTEMBER 22, 2013: Heather Johnson, Executive Director of the Octagon Center for the Arts, advised that this is the 43rd year of the Festival and the 11th year that it has been held Downtown. She said that the events are free and open to the public.

Moved by Davis, seconded by Szopinski, to adopt RESOLUTION NO. 13-407 approving closure of portions of Main Street, Burnett Avenue, Kellogg Avenue, and Douglas Avenue from 6:00 a.m. to 6:00 p.m.; waiver of fee for usage of electricity; and waiver of fee for Blanket Vending License. Roll Call Vote: 4-0-1. Voting aye: Davis, Larson, Orazem, Szopinski. Voting nay: None. Abstaining due to a conflict of interest: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Szopinski, to approve the:

1. Blanket Temporary Obstruction Permit for the Central Business District
2. Blanket Vending License

Vote on Motion: 5-0. Motion declared carried unanimously.

AMES HIGH HOMECOMING PARADE ON SEPTEMBER 23, 2013: Miranda Maher, 2419 Ridgetop Circle, Ames; Laura Friedrich, 3414 Honeysuckle Road, Ames; and, Jennifer Berg, 5339 Cervantes Drive, Ames, thanked the City and Main Street Cultural District for helping to facilitate the events for Ames High School Homecoming activities.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-408 approving:

1. Closure of Parking Lot MM and the south half of Parking Lot M and portions of Main Street, Douglas Avenue, Fifth Street, Burnett Avenue, Kellogg Avenue, Clark Avenue, and Pearle Avenue from 5:30 p.m. to approximately 7:30 p.m.

2. Waiver of parking meter fees in Main Street Cultural District from 5:30 to 6:00 p.m.
3. Waiver of parking meter fees for Parking Lot N from 5:00 to 6:00 p.m.
4. Waiver of fee for Fireworks Permit

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Orazem, to approve a Fireworks Permit for display after the football game (approximately 9:15 p.m.) on September 27, 2013.

Vote on Motion: 5-0. Motion declared carried unanimously.

REQUESTS FROM KHOI RADIO FOR CHILI ROCK-A-BILLY ON SEPTEMBER 28, 2013:

This item had been pulled by the applicant.

NCAA MIDWEST REGIONAL CROSS COUNTRY MEET ON NOVEMBER 15, 2013: Moved by Davis, seconded by Szopinski, to adopt RESOLUTION NO. 13-410 approving closure of a portion of Hayward Avenue for the NCAA Midwest Regional Cross Country meet on November 15, 2013.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

DONATION OF LAND FROM AMES COMMUNITY SCHOOL DISTRICT FOR NEIGHBORHOOD PARK:

Parks and Recreation Director Keith Abraham confirmed that the Ames Community School District (ACSD) had agreed to transfer 1.3 acres of the former Roosevelt School property to the City of Ames for use as a neighborhood park. He reminded the City Council that, during the 2013/14 Budget hearings, the City Council had committed \$80,000 in the 2014/15 Capital Improvements Program for developing the former school playground site as a neighborhood park. Mr. Abraham reported that Parks and Recreation staff had begun meeting with the Friends of Roosevelt Park to gather input on the development of the park for construction in 2014/15.

Stacey Ross, 1121 Marston Avenue, representing the Friends of Roosevelt Park, thanked the City for its support of the development of the new Roosevelt Park.

Moved by Goodman, seconded by Davis, to adopt RESOLUTION NO. 13-411 accepting the donation of 1.3 acres of land on Roosevelt Avenue from the Ames Community School District for the purpose of a neighborhood park.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Due to the number of interested persons present for Item Nos. 33 and 34, Mayor Campbell announced that those two items would be discussed prior to Item No. 32.

ADAPTIVE REUSE PLAN FOR CONVERSION OF FORMER ROOSEVELT SCHOOL LOCATED AT 921-9TH STREET:

Planner Ray Anderson provided a summary of the project. The project had been presented to the Planning & Zoning Commission and Historic Preservation Commission and had been unanimously supported by both groups. According to Mr. Anderson, the project met the criteria to qualify for Adaptive Reuse and was being recommended for approval by the City Council.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-412 approving the Adaptive Reuse Plan for conversion of the former Roosevelt School located at 921-9th Street to a multiple-family residential dwelling.

Sharon Wirth, 803 Burnett, Ames, representing the Historic Preservation Commission (HPC), informed the Council that the HPC is fully in support of the Adaptive Reuse Plan. She believed this had been a model process for a developer working with many community groups and an excellent example of preservation planning.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

URBAN REVITALIZATION AREA FOR FORMER ROOSEVELT SCHOOL PROPERTY:

Planner Anderson explained that the proposed Urban Revitalization Area would include the Roosevelt School site that had been sold to the developer by the School District and the portion of land that had been deeded to the City for a park. Mr. Anderson reminded the Council members that they had established criteria for the Area in June 2013, and the project had met the three criteria that had been set.

Luke Jensen, RES Development, 2519 Chamberlain, Ames, gave a presentation of before pictures and conceptual drawings of what the building and grounds will look like after conversion to residential properties.

Moved by Davis, seconded by Szopinski, to determine that the proposed Adaptive Reuse project meets the criteria for designating the former Roosevelt School site as an Urban Revitalization Area.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Davis, seconded by Goodman, to adopt RESOLUTION NO. 13-406 directing staff to prepare the Urban Revitalization Plan and setting the date of public hearing for October 8, 2013. Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

KINGLAND SYSTEMS CAMPUSTOWN REDEVELOPMENT PROJECT:

City Manager Steve Schainker recalled that, on March 26, 2013, the Council heard a presentation from representatives from Kingland Systems regarding its proposed redevelopment project along Lincoln Way in the Campustown Business District. At that time, they were seeking a modification to the step-back requirement in the Zoning Code for their properties along Lincoln Way and Welch Avenue. Mr. Schainker reminded the Council that it had asked Kingland officials to first accomplish three tasks:

1. Come back to Council with a more thorough explanation of what the project would entail
2. Meet with the Historic Preservation Commission (HPC) to receive its feedback
3. Meet with the Campustown Action Commission (CAA) to gain its input.

Mr. Schainker also pointed out that, at that meeting, Warren Madden, Vice-President of Business and Finance at Iowa State University, expressed the University's support for the project and

indicated its intention to lease office space in the new building as well as to consider the possibility of University student housing on the upper floors. The Council was advised by City Manager Schainker that the University had now expressed its desire to only lease office space in the proposed new development. In addition, Kingland representatives met with the CAA and the HPC to obtain feedback regarding the project.

City Manager Schainker reported that Kingland officials have now solidified their development concept. He noted that Kingland representatives were present to share information about their development concept and report on the meetings with neighborhood groups.

According to Mr. Schainker, Kingland officials were now seeking approval regarding two issues before they incur the costs of developing final plans and construction drawings. The issues were as follows:

1. Modification of the step-back requirement in the Zoning Ordinance.
2. City incentives totaling \$2,064,530 (\$1,575,000 principal and \$489,530 interest)

City Manager Schainker advised that the City Council would not be able to completely approve either of those issues at this meeting. The Council would only be able to pass a motion directing staff to prepare a draft modification to the Ordinance, which would then need to be sent through the Planning and Zoning Commission for recommendation before a final decision is made by the Council. If the Council chooses to offer incentives, it would also take direction from Council to staff to set up an Urban Renewal Area.

Step-Back Requirement. Planning and Housing Director Kelly Diekmann provided information on the City's current step-back standard. He explained that the request of Kingland was to consider allowing a three-story building with no 15-foot step-back above the second floor for its site at Lincoln Way and Welch Avenue. Mr. Diekmann explained each of the options available to the City Council. He reported that staff believed that the best option was to eliminate the step-back provision for commercial buildings up to three stories in height for properties along Lincoln Way. The reason was that staff believed that Lincoln Way has a different context and character than the rest of Campus Town; it is not as confined in terms of the right-of-way and building separations throughout the rest of Campustown. Staff was recommending that properties that have frontage on Lincoln Way would be able to extend back on side streets, e.g., Welch and Stanton; thus, the corner properties would have the option of having a little more height along the side streets. Mr. Diekmann advised that staff was asking the City Council for general direction to pursue amending the Zoning Code.

Financial Incentives. City Manager Schainker provided information on the financial commitment from the City that Kingland is seeking that would allow them to borrow \$1,575,000 to be used for the funding gap that they have identified to make its project financially viable before they move ahead to develop final construction design documents. It was noted by Mr. Schainker that Kingland representatives had stated that their latest estimates reflect construction costs of \$10,925,000 with an overall project cost of \$18,740,000. After accounting for an equity contribution from the company, proceeds from a conventional loan and benefits from various federal tax credit programs, the funding gap for the Kingland project is \$1,575,000. According to City Manager Schainker, Kingland officials have suggested that the City provide the requested

\$1,575,000 incentive through a Tax Increment Financing (TIF) rebate agreement.

City Manager Schainker presented four options to the City Council regarding financial incentives:

1. Deny the request to provide incentives to the Kingland project.
2. Provide the standard property tax abatement to the Kingland project.
3. Provide a TIF Rebate Incentive that splits the incremental property taxes generated from the Kingland project among the taxing entities and the developers over the next ten years.
4. Provide a 100% TIF rebate with a cap of \$2,064,530 up until the time the cap is reached or ten years have passed from the time of the development agreement, whichever comes first.

The Council was told by City Manager Schainker that, under the City's traditional incentive program, the City could grant up to \$1,260,335 in tax abatement if the project fits the matrix and the developer selected the ten-year option. He said that the difficult policy decision before the Council would be whether the project is worthy of an incentive amount greater than the standard partial tax abatement program. Mr. Schainker advised that staff believes that a case can be made that this is a project worthy of uncommon incentives from the City, which most likely will not be replicated in the Campustown area because of its size and relationship to job creation/retention. He said that, if the City Council agrees with that assessment, a TIF reimbursement project with a cap of \$1,575,000 for the principal plus interest up to ten years might be warranted. Mr. Schainker emphasized that, under that proposal, the City's obligation to provide an incentive would end when the TIF rebate reaches the cap or when ten years have elapsed from the beginning of the contract, whichever is sooner.

City Manager Schainker emphasized that, under the proposal, no debt would be incurred by the City; rather, a development agreement would be finalized and a TIF Ordinance passed that would obligate the City to transmit all TIF-qualified property tax revenue generated for the City, Ames School District, and Story County from the incremental assessed value of the new project to Kingland over ten years. Mr. Schainker said that staff believes that the level of incentives will actually be satisfied in fewer than ten years.

Mr. Schainker emphasized that the TIF rebate does not provide up-front funding to the developers for the project. The guarantee of a TIF rebate will allow them to borrow \$1,575,000 for the project and use the rebated taxes to pay the principal and interest on the debt. Therefore, Kingland's request would require an incentive total of \$2,064,530 (\$1,575,000 principal and \$489,530 interest).

City Manager Schainker reported that staff believes that the Kingland proposal is worthy of an incentive package in excess of the City's traditional incentives because (1) the developers are offering the most significant redevelopment project in Campustown since the City Council placed a high priority on identifying a catalyst project, and (2) the project allows Kingland Systems to retain and expand a number of high-paying non-retail jobs in the Commercial District as well as a large number of part-time technical positions to be filled by ISU students. Mr. Schainker recalled that staff had consistently cautioned the City Council about using TIF financing as a development incentive and that it should be utilized sparingly; however, because of the unique set of circumstances involved with the Kingland project, staff believes that the project warrants support to provide 100% TIF rebate with a cap.

Council Member Larson noted that there are a number of good things, e.g. jobs, etc.; however, he would like to see a number of things put into the developer's agreement, such as additional parking and perhaps a grocery store and/or a pharmacy in the retail space. Mr. Larson said he would like to see retailers in the space that would provide the types of goods and services that students and a growing residential area need. City Manager Schainker asked that the Council give direction to staff as to what they would like to include in a developer's agreement.

Council Member Orazem cautioned that it would not necessarily be a good idea to micro-manage whom the retailers are going to be. He advised that the developer might not have that much control over who will actually be a tenant in the building; making it too restrictive could cause it to fail.

Ex officio Member Alexandria Harvey asked if students had been invited to meet with Kingland and provide their opinions. She noted that students make up half of the population of Ames and are also citizens of Ames. Mr. Schainker recommended that representatives of Kingland Systems speak to that question.

Todd Rognes, President of Kingland Systems Corporation, introduced Randy Cram, Bergland & Cram, the architects for the project; and Ron Fiscus, Planscape Partners, who is the financial analyst for the project.

A presentation on Kingland Systems and its plan was given by Mr. Rognes. Kingland Systems Corporation is a software and services company based in Clear Lake, Iowa. Most of its customers are national in nature. Its applications are compliance- and regulatory-based. Kingland Systems was founded in 1992. In 2001, Kingland opened its office in Ames. In 2004, Kingland renovated the former Ames Theater. A pictorial view was shown of the interior of the property as it was in its former state and as it is currently. Currently, approximately 100 students are employed part-time by Kingland Systems performing data research on companies, their organization structures, and securities that they issue. Since 2001, over 1,000 students have worked for Kingland. There are 30 full-time employees. Mr. Rognes advised that Kingland Systems has grown and now has a need to expand beyond its current footprint. Kingland wants to remain in Campustown.

Mr. Rognes provided an update on the meetings that Kingland had had with several different groups: Campustown Action Association and Ames Historic Preservation Commission. Based on the input received, Kingland changed its conceptual plan. In answer to Ms. Harvey's question, Mr. Rognes pointed out that there is a student representative on the Campustown Action Association; that person was present at the meetings and heard the presentation.

According to Mr. Rognes, there are some known structural problems that restrict Kingland's growth at its current location. Handicapped accessibility is inadequate; there are five different floor elevations across the eight or nine different buildings. The space would be inadequate for the larger tenants that Kingland is hoping to attract to the project. Sanitary sewer, water, and storm sewer systems are significantly dated and need to be updated. It is Kingland's vision to redevelop the site. It is sensitive to the history of Campustown; however, at the same time, it wants to have a project that will benefit the community well into the future and be home to Kingland Systems for very long period of time. It is believed that the project would be a catalyst for future investment in the Campustown area.

Mr. Rognes advised that the project would cost approximately \$19 million. It would be a three-story building comprised of approximately 75,000 square feet to be a mixture of office and retail space: 25,000 square feet of the proposed building would be required by Kingland Systems; 25,000 square feet would be used for other office tenants targeting Iowa State University, 15,000 square feet would be used for a large ground floor anchor retailer, and up to 10,000 square feet would be used for other ground floor retail uses. He gave a proposed project time line, starting the project in 2014 and concluding it in 2015. The proposed redevelopment plan was described by Mr. Rognes. The business would have to temporarily relocate to 114 Welch Avenue. That creates some challenges, but also allows the project to be constructed in one phase and more efficiently. Forty-one parking spaces would be added.

Randy Cram showed the Council a conceptual rendering of the project. He noted that the storm sewer system is currently at capacity. Their plan is to pipe the water into the Stanton storm sewer system and take the load off the Welch system, which will help the neighborhood. Their plan for the three-story building is to keep it in scale with the neighborhood. He shared input regarding building design that they had received from the groups that they had met with and explained changes Kingland had made to the project concept based on that input. City Manager Schainker told the Council that the concept being shared was not the final design; it needs a formal review by City staff.

Ron Fiscus, Planscape Partners, commented on the step-back issue. He noted that, by varying the front facades, good design can be achieved in lieu of the step-back requirement. Mr. Fiscus told the Council that the developer prefers Option No. 5 in regards to the request to modify the step-back requirement.

Regarding financial assistance, Mr. Fiscus told the Council that this project would qualify for the Iowa Economic Development Authority Brownfield Tax Credit because the building being redeveloped contains lead-based paint and asbestos. He noted that the developer will be asking for the City's sponsorship of its application for the Brownfield Tax Credit at some point in the future. He also stated that the developer is in agreement with the City Manager's opinion that this project warrants a unique incentive package because of the additional benefits, i.e., a unique combination of economic development with great jobs and needed neighborhood redevelopment. Mr. Fiscus reiterated that Kingland looks at this location as its long-term home, and it believes that this project will be a catalyst for rejuvenation and continued investment in Campustown. It is anticipated that the entire project will employ 200 to 300 persons. Kingland hopes to double its full-time base from 30 to 60 in the next few years; however, that depends on how its business increases.

Mr. Fiscus reported that, after the project is complete, the assessed value of the property would increase from \$3.5 million to \$12.1 million, and generate an additional \$210,000 in incremental tax each year. He respectfully asked the City Council to approve the City Manager's recommendation of TIF with a ten-year schedule to help offset the extraordinary cost of redevelopment that Kingland Systems will incur.

Ex officio Member Harvey pointed out that, as a result of the Kingland project, students and Ames residents had lost four independently-owned restaurants. She asked if Kingland had plans to meet the needs of the consumer to replace those restaurants. Mr. Rognes replied that the Campustown Action Association had brought those concerns to their attention. Initially, Kingland had focused

on the project being mainly office space; however, that has been modified to include retail space. Kingland plans to focus on retail space occupying the ground-level floor, which could be a mixture of small and large tenants.

Zoe Kustritz, 3238 Frederikson Court, Ames, identified herself as a sophomore at Iowa State. It was her opinion that student input regarding this project has not been adequate. For students, Campustown is the focal point of Ames; it is an integral part of the student experience. Ms. Kustritz does not believe that the Kingland concept maintains the current buildings' historical integrity since it plans to dramatically alter the aesthetics of the southeast corner of Lincoln Way and Welch Avenue. She thinks that Campustown is the place that should cater to students' interests, not to corporations like Kingland Systems. In her opinion, the lack of communication with students and the lack of clarity in regard to the project is unacceptable. She urged the Council to consider Option 1 of the tax incentive proposal (to deny incentives).

Krista Johnson, 5214 Frederiksen Court, Ames, identified herself as a senior majoring in Political Science and International Studies at ISU. She said this was the fourth year she had been involved in student government, currently serving as a Government of the Student Body (GSB) Senator for the College of Liberal Arts and Sciences. Ms. Johnson said she believes that Campustown has long been the hub for students to relax and go for entertainment. She felt that student opinion had not been requested; student feedback is needed on such a large project in Campustown. It was noted by Ms. Johnson that there are 32,000 students, but only one student on the Campustown Action Association. Kingland should have approached the GSB and other student groups to ask for feedback on the proposal. Ms. Johnson believes that there is still time for Kingland to receive student comments on the proposed project. She urged the Council to choose Option 1, consult students further, and then make the decision. Ms. Johnson wants the City to absolutely continue working on the redevelopment of Campustown, improving Campustown, and making it a safer, more entertaining, and more economic-productive place to be, but making sure that student input plays a central role.

Jason Dietzenbach, 203 South Maple, Ames, spoke as Vice-Chairperson of the Historic Preservation Commission (HPC). He advised that, at its Special Meeting of August 19, 2013, the HPC had voted to provide input in response to the proposed Kingland project and that the HPC wanted it noted that there are two buildings of historical significance that are planned to be demolished as part of this project: 2424 Lincoln Way and 2420 Lincoln Way. He described the building at 2424 Lincoln Way as the Champlin Building, which was the first brick structure in Campustown. The building at 2420 Lincoln Way was the historical Ames Theater. According to Mr. Dietzenbach, if the two buildings are demolished, the HPC recommended that the buildings be documented prior to demolition, plaques of the two buildings and their significance to the community be included in the new project, and existing materials be utilized into the new project, which has been proposed by the design team.

Sharon Wirth, 803 Burnett, Ames, spoke of preservation planning, as Chairperson of the Historic Preservation Commission. Ms. Wirth said that the HPC works to shape the future, while respecting the past. It recognizes that all historically significant buildings won't be preserved; however, community conversations should be held to receive input, which, together with information from preservation consultants and studies, would guide which buildings should or would be preserved. Then, preservation should be considered including plans to deal with

structural issues of the most-significant buildings. Ms. Wirth reported that, on October 27, 2009, the City Council had approved the Ames Historic Preservation Plan. She read the six goals of that Plan, four of which were relevant to the situation in question. Ms. Wirth noted that there was still much work to be done to implement the Historic Preservation Plan. She urged the Council to move ahead with its implementation and to allocate the needed staff time to the planning process

so that, in the future, the City could avoid situations similar to the one that is currently being discussed.

Council Member Larson asked what the recommendation was from HPC related to the specific project. He had not read anything in the letter that had been submitted by HPC to indicate that it was recommending to save the two buildings. Ms. Wirth clarified that HPC was not telling the Council to save the buildings. She was not present at the August 19, 2013, HPC Special Meeting; however, Ms. Wirth believes that there is a big difference between practical acknowledgment that demolition is likely to occur and supporting demolition. According to Ms. Wirth, HPC realizes that there are some structural issues with the two buildings; however, it also wants to point out that two of the four buildings are probably some of the most significant, if not the most significant, buildings historically in the Campustown commercial area. She believes that it is important to just acknowledge what is being talked about: demolishing some historically significant buildings – architecturally significant buildings – and altering the architectural character of Campustown. Mr. Larson agreed that it was important to recognize the historical significance of the buildings and to encourage the developers to do whatever they can to work in the historically significant portions to their building design. Ms. Wirth advised that the HPC would like to stay involved in the project, i.e., working with the design elements to reuse some of the materials of the current buildings.

Dickson Jensen, 4611 Mortensen, Suite 106, Ames, advised that he was fully supportive of the project as far as individuals purchasing property and redeveloping it. He said he was confused by the request of Kingland in that it is not becoming a developer. The fact that Kingland is bringing more jobs to Ames is not reason for the City of Ames to give \$2 million to a developer. Mr. Jensen noted that he has been developing property in Ames for 30 years and has not once come to the City Council and asked for money. He said he brings many more jobs to the Ames community and just finished with a \$19 million project, but did not ask for \$2 million in tax relief. Mr. Jensen noted that there are a lot of local developers who have built the City of Ames; there should be a fair playing field for developers. Mayor Campbell explained that the City Council has had a goal of redevelopment of Campustown for a very long time. However, proposals have been few and far between; this is the first proposal that had gotten this far. Mr. Jensen replied that there are a lot of properties in Campustown that need to be redeveloped, so this is a policy that should be offered to all developers. Council Member Goodman pointed out that there are not a lot of properties in Campustown that would be eligible for abatement.

Gabrielle Williams, 425 Welch Avenue, Ames, identified herself as the President of the Campustown Student Association and as Speaker of the Senate for the GSB. She extended her support for the Kingland Systems and told the Council that Kingland did reach out to the community and students for their opinions on the project. They were very open to hearing the students' perspectives. Ms. Williams acknowledged that a lot of the discussion had occurred during the summer; however, the *Iowa State Daily* had published an article on Kingland Systems in October 2012, and there have been many avenues for people to receive information about the

project. Because of what had been reported tonight concerning the lack of communication, Ms. Williams said she would take it upon herself to make sure that more students and organizations know about the project. She noted the benefits to students provided by Kingland Systems in hiring them for part-time jobs and the contributions made to ISU clubs and organizations. Ms. Williams advised that she had been a part of this project from the beginning and would like to see it go through.

Joe Rippetoe, 419 Pearson Avenue, Ames, said that he had read tonight's *Ames Tribune*, which highlighted the Kingland project. Two of the words used in the article were "drive thru," and to him, a drive thru is not compatible with being pedestrian-friendly. Mr. Rippetoe would prefer that the City Council get written developer's assurances that, if there is drive thru service, it be very well-designed and that the retailer not be one with a liquor or beer license. He would like the Council to receive oral assurances of that by the developer at this meeting.

Ryan Jeffrey, 2712 Lincoln Way, Ames, identified himself as the President of Campustown Action Association and stated that the CAA believes that the Kingland Systems project would provide direct benefit to the Campustown area and would have the potential of being a catalyst for further improvement and development. He acknowledged that Kingland had worked well with the CAA Board and integrated suggestions on both design and usage into its plan. With those changes, the CAA supports the Kingland Systems' project. In regards to tax incentives, the CAA had developed a list of ten priorities that it considers most important to new development in the Campustown area. He noted that the City Council had already received that list via e-mail; the list is also published on the CAA's Website. Mr. Jeffrey said that Campustown is hoping to capitalize on the potential catalytic effects of the Kingland project, and the CAA is currently working on a proposal to provide grants and/or tax incentives similar to the programs in existence for the Downtown for smaller-scale development by individual property owners of businesses. The proposal will be presented to the City Council in the future.

David Peterson, 614 Billy Sunday Road, Ames, expressed his support for the Kingland Systems project. He said that he will be a junior at Iowa State, has many friends who work at Kingland Systems, and acknowledged the flexibility of scheduling offered to the students. Mr. Peterson also noted that Kingland has made donations to many student organizations. He believes that the Campustown area will benefit from the Kingland project, and it will send a strong message that Ames is looking for people who will redevelop in Campustown and help grow the retail and small businesses in that area.

Mr. Rognes addressed comments concerning lack of student interaction. He pointed out that representatives from Kingland Systems had initially presented their preliminary proposal to Council in March 2013, and it felt that they were addressing students through the *ex officio* student representative on the City Council at that time. Mr. Rognes reported that Kingland had employed over 1,000 students since establishing its business in Ames, and it is definitely important for them to get input from students.

Council Member Orazem said it was nice to see a viable redevelopment project being proposed in Campustown. He feels that Ames must provide more part-time jobs off Campus; having part-time jobs in proximity to the Campus is especially beneficial. Mr. Orazem voiced his support for the project. He also agreed with Mr. Jensen's comments and stated that, if there are additional requests for redevelopment, the City needs to be prepared to offer equal incentives.

Addressing the alleged lack of communication to students about the proposed project, Council Member Davis noted that, in late 2012, *Iowa State Daily* ran an article about Kingland and its plans to expand. On January 30, 2013, *Iowa State Daily* published another article on the Kingland Systems' project. It was his contention that this is not a project that had gone "under the radar," so he was shocked by the students' comments that they had never heard of the project. Mr. Davis said that he sees this project as a catalyst project and is excited to see what spurs off of it. In Mr.

Davis's opinion, Kingland employs a lot of students and is sensitive to students' opinions and desires.

Ex officio Member Harvey acknowledged a letter that had been emailed to the City Council from Spencer Hughes, President of the GSB. In his letter, Mr. Hughes requested that the City Council delay action on this item until Iowa State University students had more opportunities to share their feedback on the proposal.

Council Member Goodman wanted it to be known that he is not against Kingland Systems, which has done great things for Campustown. He also said that he is not against jobs and he is not against demolishing buildings. Mr. Goodman said that he believed that this project probably will bring more dollars to Campustown. He advised that he did not support the TIF project because it will remove pieces of Campustown that are the core of what makes a great commercial district. He gave examples of other cities that have revitalized commercial districts while maintaining historical integrity. Mr. Goodman said that he would like to have at least one of the historical buildings saved.

Council Member Szopinski believes that the Council might have been remiss in not asking Kingland Systems to meet with students when it directed that it meet with the CAA and HPC. She would like the Council to consider directing that more input be received from students. Ms. Szopinski also thinks that the HPC needs to clarify its recommendation to the Council.

In the opinion of Council Member Orazem, one of the problems that the City has not had is for too many people to ask for incentives to redevelop Campustown. He said that he sees the Kingland project as providing great public good to the community.

Council Member Larson agreed, but said that he was not concerned that there will be many TIF requests. He could only recall one TIF project, which was approximately 15 years ago. It had been successful and was paid off prior to ten years. Mr. Larson pointed out that it had been a goal of the City Council for years and years to revitalize Campustown

Council Member Goodman pointed out that there is still time for the GSB and students to register opinions to the City Council and to Kingland. He also voiced his disagreement that TIF projects are necessary for the redevelopment of Campustown.

Moved by Goodman, seconded by Davis, to direct staff to initiate a zoning text amendment revising the step-back standard to three stories for all buildings on sites that have frontage on Lincoln Way and prohibiting residential units on the third floor.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Orazem, seconded by Larson, to provide a 100% TIF rebate with a cap of \$2,064,530

(\$1,575,000 principle and \$449,530 interest) up until the time the cap is reached or ten years have passed from the time of the development agreement, whichever comes first.

Vote on Motion: 4-1. Voting aye: Davis, Larson, Orazem, Szopinski. Voting nay: Goodman. Motion declared carried.

The meeting recessed at 9:26 p.m. and reconvened at 9:35 p.m.

PRESENTATION OF SUSTAINABILITY COORDINATOR ANNUAL REPORT: Merry Rankin, the City's Sustainability Coordinator, presented a review of the Sustainability Task Force Charge and provided an update on the progress of completing Task Force recommendations under the 2012/13 Sustainability Contract. She also discussed the goals and proposed activities to be completed during the 2013/14 contract.

Discussion ensued about one of the programs, i.e., develop a program for businesses, non-profit and civic facilities entitled, "Five Ways to Start Saving Energy." As part of that program, an awards/recognition component will be developed and branded around the City's Sesquicentennial.

Council Member Orazem asked if there was a way for the City to get information out to the public more expeditiously. Ms. Rankin said social media is the way to communicate information the quickest. She qualified that that is what works the best for students, but she is not as familiar with the City's usage of social media.

AGREEMENT FOR LAW ENFORCEMENT SERVICES TO UNIVERSITY-LEASED RESIDENTIAL HOUSING PROPERTY IN AMES: Police Chief Chuck Cychosz explained that Iowa State University (ISU) had leased housing units on Stanton Avenue and Maricopa Drive in response to its growing enrollment. ISU officials have recommended that having the University provide law enforcement services to those locations would be consistent with their goal of trying to provide a living environment that is substantially similar to what is provided on Campus. State law provides authority to the ISU Police when acting in the interests of the institution, which is clearly the case in this arrangement.

Moved by Davis, seconded by Szopinski, to adopt RESOLUTION NO. 13-413 approving the Memorandum of Understanding between Iowa State University and the City regarding the provision of law enforcement services to University-leased residential housing property in Ames. Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

CHANGE ORDER TO AGREEMENT WITH FOX ENGINEERING FOR NEW WATER PLANT DESIGN: Water and Pollution Control Director John Dunn reported on efforts by staff and the City's consulting engineer to apply value engineering (VE) principles to the new Water Treatment Plant. The Council was told that the effect of those efforts will result in an estimated net savings to the project of approximately \$4,000,000.

Director Dunn provided an updated cost estimate for the new Plant. The May 2011 estimate was \$67,633,000; the October 2012 estimate was \$70,157,000; and the November 2012 estimate was \$68,118,000 after staff review and removal of some items and inclusion of others. It was noted that the cost estimates for the project up to that time had been prepared based on limited

information. The cost estimate was essentially a parametric estimate with some budget-level pricing from vendors included for major materials and equipment. It was also pointed out that the cost estimate used in the 2013-2018 Capital Improvements Plan was simply an inflation adjustment from the prior year's estimate. In April 2013, the design work reached the 40% threshold, and the design team undertook the first cost opinion based on an actual set of working plans and specifications. To obtain the total project cost, the 40% cost opinion was combined with the cost of engineering services, land acquisition, environmental assessments, easements,

and other non-construction expenses. The resulting total project cost estimate is now \$77,795,000.

Mr. Dunn explained that, after receiving the 40% cost estimate, staff determined that it was necessary to begin a comprehensive re-evaluation of the design immediately, looking for ways to reduce the cost without sacrificing the fundamental mission of the facility. An internal value engineering process was developed and facilitated by the senior staff team spearheading the project. Nearly all of the cost-saving ideas that made it to the end of the value engineering process were recommended by staff for adoption into the final design of the new facility, with an estimated gross reduction of \$3,474,855 from the 40% cost opinion. A more precise cost estimate will be developed at the end of the calendar year and will be reflected in the CIP presented in January. By developing a value engineering process utilizing internal resources to identify cost-saving design modifications instead of hiring outside consultants, the process immediately saved the \$500,000 included in the 40% cost opinion estimate for independent VE consulting. The overall gross project savings generated by that process was an estimated \$3,974,600.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-414 approving a Change Order to Task Order 4.1 under the Master Agreement with Fox Engineering for the design, bidding, and construction of the new Water Treatment Plant in an additional lump sum of \$529,745.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON SALE OF 3317 MORNINGSIDE STREET: Mayor Campbell opened the public hearing. There being no one wishing to speak, the hearing was closed.

Moved by Davis, seconded by Szopinski, to adopt RESOLUTION NO. 13-409 approving the sale of 3317 Morningside Street to Shaun Strader and Megan Louis, as part of the 2013 Community Development Block Grant Neighborhood Sustainability Program.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON WATER POLLUTION CONTROL FACILITY METHANE ENGINE-GENERATOR SET NO. 2 REHABILITATION: The hearing was opened by the Mayor. No one came forward to speak, and the hearing was closed.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-415 approving final plans and specifications and awarding a contract to Ziegler Power Systems of Altoona, Iowa, in the amount of \$176,608.00.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON 2010/11 STORM WATER FACILITY REHABILITATION PROGRAM - SPRING VALLEY SUBDIVISION (UTAH DRIVE/OKLAHOMA DRIVE) AND 2012/13 FLOOD RESPONSE AND MITIGATION (CLEAR CREEK - UTAH DRIVE): The hearing was opened by Mayor Campbell and closed after no one asked to speak.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-416 approving final plans and specifications and awarding a contract to Con-Struct, Inc., of Ames, Iowa, in the amount of \$336,630.00.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON UNIT 8 GENERATOR REPAIRS/RE-WEDGING STATOR PROJECT: The Mayor opened the public hearing and closed same when no one came forward to speak.

Moved by Davis, seconded by Szopinski, to approve the report of bids and delay the award of contract.

Vote on Motion: 5-0. Motion declared carried unanimously.

HEARING ON 2013/14 CDBG PUBLIC FACILITIES NEIGHBORHOOD INFRASTRUCTURE IMPROVEMENTS PROGRAM (SOUTH MAPLE AVENUE): Mayor Campbell opened the hearing. There being no one who wished to speak, the hearing was closed.

Moved by Goodman, seconded by Davis, to adopt RESOLUTION NO. 13-417 approving final plans and specifications and awarding a contract to Con-Struct, Inc., of Ames, Iowa, in the amount of \$367,803.20.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON ZONING TEXT AMENDMENT TO SECTION 29.1503(4) (b) (iii) PERTAINING TO THE WEIGHT OF TRUCKS SERVING SPECIAL USE PERMIT USES IN RESIDENTIAL ZONES: The public hearing was opened by Mayor Campbell. She closed the hearing after no one came forward to speak.

Moved by Davis, seconded by Szopinski, to pass on first reading an ordinance revising Section 29.1503(4)(b)(iii) and allowing the exemption of food delivery vehicles from the weight requirement as one of the criteria for consideration of a Special Use permit in a residential zone and inserting the word “pounds” after 26,000 for clarity.

Roll Call Vote: 5-0. Motion declared carried unanimously.

HEARING ON ZONING TEXT AMENDMENT TO SECTION 29.401(5) TO ELIMINATE PROVISION (c) PERTAINING TO MORE THAN ONE SINGLE-FAMILY OR TWO-FAMILY STRUCTURES ON THE SAME LOT: Mayor Campbell opened the hearing. Planning and Housing Director Kelly Diekmann advised that the Planning and Zoning Commission had voted to continue the request for a Zoning Ordinance Text Amendment for Section 29.401(5) to remove provision C relating to the allowance for multiple single-family and two-family structures on a lot larger than one acre. The Commission felt that it needed more information regarding the background of the proposal and to review any implications to the proposed change to the Code. This item will be placed on the Commission’s agenda for September 4, 2013.

Moved by Davis, seconded by Larson, to continue the hearing to the September 10, 2013, City

Council meeting.

Vote on Motion: 5-0. Motion declared carried unanimously.

ORDINANCE REVISING APPENDIX Q FOR WATER METER SETTING FEES: Moved by Goodman, seconded by Davis, to pass on first reading an ordinance revising Appendix Q pertaining to water meter fees.

Roll Call Vote: 5-0. Motion declared carried unanimously.

ORDINANCE REZONING PROPERTY LOCATED AT 4130 LINCOLN SWING: Moved by Davis, seconded by Orazem, to adopt ORDINANCE NO. 4157 rezoning property located at 4130 Lincoln Swing from Residential Low Density "RL" to Residential High Density "RH".

Roll Call Vote: 4-1. Voting aye: Davis, Goodman, Larson, Orazem. Noting nay: Szopinski. Ordinance declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

ORDINANCE REVISING PARKING REGULATIONS ON BURNHAM DRIVE: Moved by Goodman, seconded by Davis, to adopt ORDINANCE NO. 4158 revising parking regulations on Burnham Drive.

Roll Call Vote: 5-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

COUNCIL COMMENTS: Moved by Orazem, seconded by Davis, to refer to staff the request from Sue Wuhs, on behalf of Ames Community Preschool Center (ACPC), dated August 23, 2013, pertaining to the playground structure at 920 Carroll Avenue .

Council Member Goodman said that he would like to know more information about the new proposal from ACPC. Council Member Larson said that he has some concerns and would like a report detailing the ramifications of the ACPC proposal. City Manager Schainker stated that staff would bring back a report to the Council.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Orazem, seconded by Larson, to refer to staff, for a report, the request of the Ames Convention & Visitors Bureau for the City to fund 1/6th of the analysis to be performed by Conventions, Sports & Leisure International pertaining to convention space.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Davis, seconded by Orazem, to refer to staff the letter dated August 22, 2013, from Scott Renaud, Fox Engineering, pertaining to allowing a clubhouse in a Residential High Density Zoning District (Copper Beach at 712 S. 16th Street) for a report back to Council.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Davis, seconded by Orazem, to refer to staff, for a memo, the letter dated August 22, 2013, from Scott Renaud, Fox Engineering, pertaining to its request for a LUPP text and map amendment for 205 S. Wilmoth Avenue.

Planning and Housing Director Diekmann explained that the request pertains to the north parcel of the former Middle School Site.

Council Member Goodman specified that he did not want this put on a future agenda, but did want staff to provide feedback to the Council via a short memo. Council Member Larson offered the

suggestion that the information be in the form of a staff report so it could be discussed at a future meeting.

Vote on Motion: 4-1. Voting aye: Davis, Larson, Orazem, Szopinski. Voting nay: Goodman. Motion declared carried.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 10:48 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor